



STATE OF WEST VIRGINIA
OFFICE OF THE ATTORNEY GENERAL
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CONSUMER PROTECTION DIVISION
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Press Release

FOR IMMEDIATE RELEASE

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Attorney General Darrell McGraw Settles with Countrywide for Selling Loans Consumers Could Not Afford

Attorney General Darrell McGraw today settled his suit against Countrywide Financial Corporation, Countrywide Home Loans, Inc., Countrywide Home Loans Servicing, LP, and Full Spectrum Lending, Inc.

Countrywide sold subprime loans, including adjustable rate mortgages ("ARMs") with teaser rates that were unaffordable and unconscionable to West Virginia consumers. These loans exposed consumers to foreclosure and loss of their homes. Countrywide also used unfair and deceptive acts or practices to sell loans and service loans.

The settlement filed today provides for loan modifications for West Virginia consumers with subprime loans. The loan modification program is estimated to save West Virginia consumers approximately 8.9 million dollars. If a loan is eligible, the interest rate can be reduced to as low as 2.5 percent for five years, and the principal balance may be reduced. Countrywide must suspend its foreclosures to determine if a consumer qualifies for a loan modification. Countrywide also has agreed to waive prepayment penalties, late fees and fees to modify the loans. "This settlement will enable West Virginia consumers who have loans with Countrywide to remain in their homes," said Attorney General McGraw.

The settlement also requires Countrywide to pay \$340,901.00 to provide relief to particular West Virginia consumers who lost their homes to foreclosure.

Countrywide has started sending out mailings to consumers to notify them of the loan modification that may be available to them. Consumers who have questions may contact Bank of America at 1-800-669-6607 or McGraw's Consumer Protection Division at 1-800-368-8808.

Any persons wishing to file a complaint about a consumer matter or to alert the Attorney General about unfair or deceptive practices may do so by calling the Consumer Protection Hot Line, 1-800-368-8808, or by obtaining a complaint form from the consumer web page at www.wvago.gov.

[Click here to for a copy of the entire settlement](#)

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